

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2018-319-E

IN RE:	Application of Duke Energy Carolinas, LLC)	
	for Adjustments in Electric Rate Schedules and)	
	Tariffs and Request for an Accounting Order)	PETITION FOR
)	CLARIFICATION AND
)	RECONSIDERATION

Pursuant to S.C. Code § 58-27-2150 and S.C. Code Ann. Regs. 103-825, 103-854, and applicable South Carolina law, the South Carolina Office of Regulatory Staff (“ORS”) hereby respectfully petitions the Public Service Commission of South Carolina (“Commission”) for clarification of its findings and conclusions in Order No. 2019-323 (“Order”) and for the Commission to require Duke Energy Carolinas, LLC (“DEC” or “Company”) to re-notice its customers to cure the insufficient notice to customers because the volumetric rates resulting from the Order are higher than that noticed by the Company to the customers in many rate schedules.

ORS seeks clarification from the Commission regarding certain findings and conclusions in the Order. ORS supports the Order. However, ORS believes that it is imperative that the Commission clarify its ruling on certain issues. Specifically, ORS petitions the Commission for clarification of the Commission’s determination regarding the following five (5) issues: 1) working capital; 2) calculation of the 75% disallowance of Lynn Good’s compensation; 3) the allowance, or disallowance, of certain deferrals requested by the Company; 4) the lack of a finding or conclusion addressing DEC’s allowable rate base and net income for return; and, 5) the Company’s method to calculate the Cost of Service Study.

ORS supports the Commission's decision. However, ORS remains concerned that certain classes of customers will receive an increase in the volumetric rates that is as much as 10.62% over the volumetric charge requested and noticed by the Company. Attachment 4 to this Petition outlines the current rate approved for DEC, the rate requested and noticed to customers, the resulting rates from the Order, the percentage increase in the Order rates over what was noticed to customers, and the number of customers impacted. ORS requests the Commission reconsider its decision regarding the sufficiency of notice and that DEC be required to re-notice its customers of the increase in the Company's volumetric rates and that customers be provided the opportunity to request a limited rehearing solely on the issue of the resultant rates that are higher than those noticed. This limited rehearing would provide the impacted customers with the due process opportunity to voice their concerns given the volumetric kilowatt ("kW") and kilowatt-hour ("kWh") charges for certain customer classes exceeds both what the Company charged prior to the Order as well as the rates ordered and noticed to its customers in its revised schedule. ORS believes that this procedure would serve to cure the defect in notice, as stated in more detail below.

A. Issues for Clarification

1. Working Capital Adjustment

In addressing ORS Adjustment 33, on page 29 of the Order the Commission states that: "Working Capital is adjusted \$83,971,000 as a result of the underlying adjustments approved by the Commission in this Order." ORS believes that this amount, as calculated by the Commission, includes Miscellaneous Deferred Debits and Credits, as shown on ORS Surrebuttal Audit Exhibit GS-6.

ORS's adjustment to calculate Adjustment 33 was not disputed by any Party and the adjustment to total Working Capital results from the net adjustments to Operations and Maintenance expense ("O&M"). In short, Adjustment 33 adds to or removes from (depending on the net impact to O&M) Working Capital by one-eighth, or 12.5% of the net adjustment to O&M.

The total Working Capital adjustment of \$83,971,000 cited on Page 29 of the Order does not include the 12.5% of the net adjustment to O&M. ORS requests the Commission clarify the calculation of the total Working Capital to include the adjustment by 1/8 of the resulting change to O&M Expense. This amount would be the sum of Adjustments to Fuel used in Electric Generation, Purchased Power and Net Interchange, and other O&M Expenses totaling (\$13,789,000). In Surrebuttal Audit Exhibit GS-6 the Additional Adjustment to Working Capital was (\$3,805,000).

Based on ORS's review of the Order, the additional adjustment to Working Capital for 1/8 of the Adjustments to O&M should be (\$1,724,000) resulting in a net Working Capital Adjustment of \$82,247,000; as opposed to the \$83,971,000 as stated in the Order.

2. Executive Compensation

ORS believes based on the Commission's findings that Adjustment #29 should result in a total disallowance of (\$1,222,000) in Operations and Maintenance ("O&M") expense related to executive compensation, however ORS recognizes that there is some confusion in the record.

For example, Company witness Smith states in reply to a question from Commissioner Ervin regarding the portion of Ms. Good's salary allocated to South Carolina: "I think its \$547,000 was allocated." Tr. p. 2001, ll. 20 -21. In contradiction, Company witness Metzler responded to a line of questioning from Commissioners and redirect from Company counsel that the \$547,000 is

after the 50% reduction in executive compensation the Company adopted. Tr. p. 1154, l. 15 - p. 1156, l. 11.

Thus, the record in this case clearly presented the Commission with conflicting and confusing facts regarding executive compensation. While there is conflicting testimony in the record, ORS Adjustment #29 reflects the Company calculated dollar amount of the total salary allocated to SC customers is \$1,094,000.¹ The amount referenced in the testimony of Company witness Smith of \$547,000 and included in the Commission Order is 50% of Ms. Good's salary, which the Company proactively removed in Adjustment #29. ORS requests the Commission confirm the calculation to remove 75% of Ms. Good's salary allocated to South Carolina results in a total for Adjustment #29 of (\$1,222,000) rather than the (\$1,085,000) cited on page 28 of the Order.²

3. Clarification of Deferrals

ORS supports the Commission Order regarding deferrals. However, the Order did not address the treatment of certain deferrals. Clarification on the specific treatment of certain deferrals would be helpful to both the Company and ORS. ORS requests the Commission clarify the allowance or disallowance and treatment of the following deferrals included in the Company's Application:

- (a) Customer Connect Operation and Maintenance deferral.

The Commission approved the deferral treatment proposed by ORS. However, the continuation or regranting of the deferral as requested by the Company is

¹ Attachment 1 reflects DEC's AIR response detailing the top four executives' compensation packages. As evidenced by ORS's worksheet included as Attachment 2, once the South Carolina allocator is applied to Ms. Good's total compensation excluding the Catawba reimbursement, Ms. Good's South Carolina compensation is \$1,094,000.

² See Attachment 2 DEC Executives' Compensation Calculation.

not addressed in the Findings of Fact or Legal Analysis contained in the Commission Order.

(b) AMI Deferral.

The Commission's Order does not address the Company's request to continue the deferral.

(c) Coal Ash Deferral and Amortization.

The Commission's Order does not address the Company's request to continue the deferral. In addition, the Commission's Order did not identify an amortization period for the previously deferred costs.

(d) Grid Modernization Deferral.

The Company and ORS entered into a stipulation prior to the hearing in this case which, in short, provided that the Company may defer certain costs of its Grid Modernization program. While a Hearing Officer Directive was issued approving and adopting the stipulation,³ the Order does not address the Stipulation. In addition, the Commission's Order does not does not address the Company's request to continue the deferral.

(e) Credit Card Fee Deferral.

The Commission's Order does not address the Company's request for a deferral.

4. Rate Base and Net Income for Return

The Order does not contain a finding or conclusion regarding the rate base or net income for return for the Company. Rate base and net income for return are critical elements to determine

³ See Order No. 2019-26H

the Company's fair rate of return and revenue requirement. ORS requests the Commission clarify the approved rate base and net income for return for DEC. A rate base for the Company must be established in the Commission Order. From a technical standpoint, a rate base is necessary to arrive at the capital cost requirement to be included in the Company's cost of service. From a more practical standpoint, a rate base needs to be established in this case for use in the Company's next rate case. The Commission needs to establish a rate base figure which will be used in the audit and review of the Company's next rate case application. Based on the revenue requirement provided in the Order, ORS believes the total rate base to be \$5,447,405,000. This amount is slightly different than the amount the Company provided in its Compliance Tariff, which ORS believes is due to the differing positions on working capital as discussed above.

5. Cost of Service Study Methodology

The Order contains conflicting guidance related to approval of the methodology to determine the Company's Cost of Service ("COSS"). Specifically, the Order, on page 22, states: "...the Commission need not reach the issue of whether to approve the use of the MSM because no party objected to the specific BFC increases eventually proposed by ORS and accepted by the Company. This Commission need not rule on uncontested issues, and therefore will not here address the appropriateness or inappropriateness of the Minimum System Method in future cases." However, on page 32, the Order states: "The Commission finds and concludes that for purposes of this proceeding... that the Company's cost of service methodology is just and reasonable." The Company, using this apparant guidance from the Commission, has allocated its costs in its COSS using the Minimum System Method ("MSM").

The Company then used the revenue allocated to each class of customers through the COSS, and developed rates for its approved rate schedules using the MSM save for three (3)

exceptions due to the Order setting the Basic Facilities Charge (“BFC”) for three (3) rate schedules: \$11.96 for residential non-time of use (“TOU”), \$13.09 for residential TOU, and \$11.70 for Small General Service (“SGS”). There are four (4) separate rate classes, each with numerous rate schedules that are all affected by the Company’s COSS. The ORS requests the Commission confirm that the COSS presented by the Company is to be used to allocate all revenues, expenses, and rate base items and to design rates for all customer classes, unless otherwise specified by the Commission.

B. Motion for Reconsideration – Sufficiency of Notice

Authorizing the Company to charge customers rates in excess of the rates in effect prior to the Order and the rates noticed to its customers results in a denial of customers’ due process rights, but even if it does not, it is not good or sound public policy to notice certain rates and charges that are then increased above that noticed. ORS is not aware of any case involving the establishment of rates where the utility has requested or applied for a rate that was noticed to customers and then permitted to charge a higher rate. The Notice instructs customers that they can review the proposed rates, charges, and tariffs on the Commission’s website or to contact the Company. Customers with high usage would be most interested in the volumetric rate. In particular, small and medium business customers with high usage would be interested in the kWh rate, as well as residential customers.

In its Application, the Company stated that if its Petition was granted the average residential customer using 1,000 kWh of electricity each month would see an increase in their monthly bill of \$15.57. Application, p. 4, Para. 8. It also stated that it was requesting “an increase in the Residential Basic Facilities Charge (BFC) from \$8.29 to \$28.00 per month effective June 1,

2019.”⁴ The Company did not notice certain customer classes of the potential increase in their volumetric rates.⁵ Application, P. 5, Para. 9. Attachment 3 is the Revised Notice that was noticed to customers and published.

The Revised Notice of Filing and Hearing sent to customers provides in part as follows:

A copy of the Company’s Application, *as well as the proposed rates, charges and tariffs* may be obtained from the Commission at the following address: Public Service Commission of South Carolina, Clerk’s Office, 101 Executive Center Drive, Suite 100, Columbia, South Carolina 29210. Additionally, the Application is available on the Commission’s website at www.psc.sc.gov and is available from Heather Shirley Smith, Deputy General Counsel, Duke Energy Carolinas, LLC, 40 W. Broad Street, Suite 690, Greenville, South Carolina 29601; or Frank R. Ellerbe, III, Esquire, Robinson Gray Stepp & Laffitte, P.C., Post Office Box 11449, Columbia, South Carolina 29211. (emphasis added)

The Company’s notice of the proposed rates, charges and tariffs were provided, as required by the Commission, as part of the Company’s Application. (*See* S.C. Code Ann. § 58-27-870(A)). According to the United States Supreme Court,

“the specific dictates of due process generally requires consideration of three distinct factors: First, the private interest that will be affected by the official action; second, the risk of an erroneous deprivation of such interest through the procedures used, and the probable value, if any, of additional or substitute procedural safeguards; and finally, the Government’s interest, including the function involved and the fiscal and administrative burdens that the additional or substitute procedural requirement would entail.”

Mathews v. Eldridge, 424 U.S. 319, 334–35, 96 S. Ct. 893, 902–03, 47 L. Ed. 2d 18 (1976)

⁴ On March 20, 2019, the Company filed a letter with the Commission stating that it agreed to accept the ORS Witness Seaman-Huynh’s recommended BFC for non-TOU residential customers be set at \$11.96 and at \$13.06 per month for TOU customers. Hearing Exh. 31 and See, Tr. p. 1645, ln. 14 - p. 1652, ln. 25 and Tr. p. 1562, ln. 19 - 24. In reply to this late filing, ORS filed a responsive letter with the Commission on March 21, 2019, in which it clarified that the \$11.96 BFC in Mr. Seaman-Huynh’s testimony was based on applying his proposed rate design methodology which, when applied to ORS’s recommended adjustments, produces the BFC rates contained in DEC’s letter. Hearing Exh. 31.

⁵ See Attachment 4 which reflects that the following classes were only provided notice of a decrease in kWh rates, where the Order actually provides for an increase: RS, RE, ES, ES All-Electric, SGS.

Article I, Section 22 of the South Carolina Constitution imposes due process requirements on actions of South Carolina administrative agencies and states, “[n]o person shall be finally bound by a judicial or quasi-judicial decision of an administrative agency affecting private rights except on due notice and an opportunity to be heard” The South Carolina Supreme Court has held that this provision guarantees persons the right to notice and an opportunity to be heard by administrative agencies. *Ross v. Med. Univ. of S.C.*, 328 S.C. 51, 492 S.E.2d 62 (1997). When addressing statutory notice, S.C. Code Ann. § 1-23-320(E) states, “[o]ppportunity must be afforded all parties to respond and present evidence and argument on all issues involved.” Additionally, S.C. Code Ann. § 1-23-320(I) states, “[f]indings of fact must be based exclusively on the evidence and on matters officially noticed.” *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306 (1950), approved of notice by publication in certain circumstances. The court in *Mullane* described the notice requirement of the due process clause as follows:

An elementary and fundamental requirement of due process in any proceeding which is to be accorded finality is notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.

Interested parties must be given notice “reasonably calculated under all circumstances to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.” *Blanton v. Stathos*, 351 S.C. 534, 542, 570 S.E.2d 565, 569 (2002) (citing *Mullane v. Cent. Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950); *Murdock v. Murdock*, 338 S.C. 322, 334, 526 S.E.2d 241, 248 (Ct. App. 1999)).

Rates noticed by the Company must not violate the due process rights of its customers. As ORS stated in its March 21, 2019, letter filed with the Commission, “to the extent the remaining revenue requirement is allocated to variable/volumetric component of rates, the increase could be higher than the variable/volumetric rates DEC noticed in its Application.” Additionally, as

addressed by ORS witness Hamm, notice has the potential to become an issue. Tr. p. 1650, ln. 20 - p. 1656, ln. 8.

Under the circumstances unique to this proceeding, the Company failed to provide adequate notice as required by due process. A due process violation occurs in this instance when the Company imposes rates on its customers that exceeded the maximum tariffed rates of which those customers were placed on notice. Therefore, because the facial sufficiency of the original notice is not challenged, the analysis required is not as simple as whether or not the Company's customers were aware that a rate proceeding was occurring or how many parties intervened. The Revised Notice offered the Company's customers the ability to be heard on those specified rates. However, due to the dramatic decrease in the BFC rates, the Company's volumetric rates now exceed the values published in the Company's Revised Notice. It is for this reason that certain customers were not afforded notice "reasonably calculated" to provide them the opportunity to be heard, as required by *Mullane* and related cases.

Utilizing the three-pronged test outlined in *Matthews* above indicates clearly that a due process violation occurred in this instance. First, significant private interests will be affected by the Commission's Order. Attachment 4 indicates that, notwithstanding the impacts to other classes of customers, the participants on the SGS rate will see their volumetric rate rise by 10.62% above that contained in the Company's notice. Customers have different usage characteristics and the rate schedules and rate design put forward by the Company have a significant financial impact on them.

Second, the risk of this notice deprivation is paramount to the Company's customers. The Night Hearings evidenced the dire straits in which many of the Company's customers find

themselves. However, each of them was only aware of the increase sought by the Company pursuant to its notice.

Finally, the government has a great interest in ensuring due process is maintained and, as a result, adequate and accurate notice is required. Absent this, an applicant's notice becomes simply a piece of paper with no force, effect, or meaning to adequately inform a customer of their interests that may be impacted in a proceeding. Fundamentally, customers should not be faced with a rate or charge higher than the Company noticed.

In *Porter v. South Carolina Public Serv. Comm'n.*, 338 S.C. 164, 170, 525 S.E.2d 866, 869 (2000), the South Carolina Supreme Court found that ratepayers were deprived of due process for failure to receive adequate notice of a rate increase. The *Porter* Court found that “[t]aken as a whole, this notice is not informative and in fact somewhat misleading....We find the notice given was inadequate to satisfy the requirements of §58-9-530.” The Court held that Article I, §22 of the South Carolina Constitution applies to ratepayers through its provision that “[n]o person shall be finally bound by a judicial or quasi-judicial decision of an administrative agency affecting private rates except on due notice and an opportunity to be heard.” In conclusion, the Court found in *Porter* that “rate increases were ordered without adequate notice in violation of due process.” 338 S.C. at 69-70, 525 S.E.2d 869.

Finally, statutory construction makes it clear that rates finally changed cannot exceed what is included in the schedules noticed.⁶ According to S.C Code Ann. § 58-27-870(A), “[a]fter a schedule setting forth the proposed changes in its rates or tariffs has been filed with the commission and provided to the Office of Regulatory Staff, the commission must hold a public hearing

⁶ See South Carolina Administrative Procedures Act, S.C. Code Ann. § 1-23-310 *et seq.*

concerning the lawfulness or reasonableness of the proposed changes.” Additionally, S.C. Code Ann. § 58-27-870(C) states, “[i]f the commission rules and issues its order within the time aforesaid, and the utility shall appeal from the order, by filing with the commission a petition for rehearing, the utility may put the rates requested in its schedule into effect under bond only during the appeal and until final disposition of the case.”⁷ (emphasis added)

The cardinal rule of statutory construction is to ascertain and effectuate the intent of the legislature. *Charleston County Sch. Dist. v. State Budget and Control Bd.*, 313 S.C. 1, 437 S.E.2d 6 (1993). “A statute as a whole must receive a practical, reasonable, and fair interpretation consonant with the purpose, design, and policy of the lawmakers.” *Browning v. Hartvigsen*, 307 S.C. 122, 125, 414 S.E.2d 115, 117 (1992); *see also Georgia–Carolina Bail Bonds*, 354 S.C. at 22, 579 S.E.2d at 336 (“A statute should be given a reasonable and practical construction consistent with the purpose and policy expressed in the statute.”); *Municipal Ass’n of South Carolina v. AT & T Communications of S. States, Inc.*, 361 S.C. 576, 606 S.E.2d 468 (2004) (observing that the language of a statute must be read in a sense which harmonizes with its subject matter and accords with its general purpose).

It is clear from application of statutory construction standards that noticed rates, or the rates then currently charged to customers, must be the ceiling of rates that can be lawfully charged. To hold otherwise, impairs the statutes’ effectiveness, inhibits a party’s ability to make an informed

⁷ See Also S.C. Code Ann. § 58-27-860, “[w]hen an electrical utility desires to put into operation a new rate, it must give not less than thirty days’ notice of its intention to file with the commission and the Office of Regulatory Staff and must, after the expiration of the notice period, file with the commission and provide to the Office of Regulatory Staff a schedule setting forth the proposed changes. Copies of the schedule also must be given to other parties as the commission directs. Subject to the provisions of subsections (C) and (D) of Section 58-27-870, the proposed changes may not be put into effect in full or in part until approved by the commission.” When discussing annual fuel proceeding, S.C. Code Ann. § 58-27-865(C) requires, “[i]f the request is by an electrical utility for a rate increase, the commission shall direct the utility to send notice of the request and hearing to all customers with the next billing, and if the commission grants the rate request subsequent to the request and hearing, the commission shall direct the utility to send notice of the amount of the increase or decrease to all customers with the next billing.”

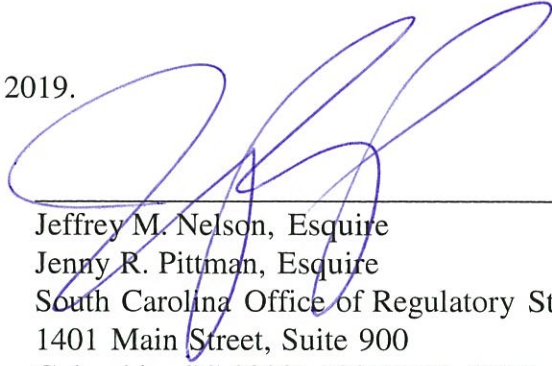
decision as to whether personal participation in the proceeding is required, and leads to an absurd result. Under that scenario, while all pertinent parties may be aware that a rate case proceeding will occur, they will not be made aware of how it may impact their own interests.

ORS respectfully submits that the Commission should require the Company to notice those rates that are increased and provide the opportunity for a limited rehearing on the sole issue of the revised rate schedule and increase in volumetric rates. ORS respectfully submits that to address this notice problem, offering the opportunity to those affected is curative and ultimately, a hearing may not even be necessary, if no affected customers request one. For the future, utilities should be aware that in filing a rate case application and noticing rates and charges, the utility cannot simply make dramatic changes that ultimately result in a revision of rates higher than that noticed and requested. Any potential for alternative requests should be clearly spelled out.

Conclusion

For the reasons stated herein, ORS respectfully requests the Commission provide clarification regarding its rulings on working capital; the 75% disallowance of Lynn Good's compensation; DEC's allowable rate base and net income for return; the allowance, or disallowance, of certain deferrals requested by the Company; the Company's Cost of Service Study and ORS respectfully requests the Commission require the Company to publish a new notice in accordance with the rates detailed in the Order and that the opportunity for limited rehearing on the volumetric rates be permitted if requested.

Dated this 31st day of May, 2019.

A large, stylized handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke, positioned above the printed text.

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CONFIDENTIAL

ATTACHMENT 1 TO

PETITION FOR CLARIFICATION

AND RECONSIDERATION



2018-319-E

Application of Duke Energy Carolinas, LLC
for Adjustments in Electric Rate Schedules
and Tariffs and Request for an Accounting Order

CONFIDENTIAL

ATTACHMENT 2 TO

PETITION FOR CLARIFICATION

AND RECONSIDERATION



2018-319-E

Application of Duke Energy Carolinas, LLC
for Adjustments in Electric Rate Schedules
and Tariffs and Request for an Accounting Order

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

REVISED NOTICE OF FILING AND HEARING AND PREFILE DEADLINES

DOCKET NO. 2018-319-E

DUKE ENERGY CAROLINAS, LLC –Application of Duke Energy Carolinas, LLC for Adjustments in Electric Rate Schedules and Tariffs

On November 8, 2018, Duke Energy Carolinas, LLC (“Duke Energy Carolinas” or the “Company”) filed an Application with the Public Service Commission of South Carolina (“Commission”) requesting authority to adjust and increase its retail electric rates, charges, and tariffs. The Application was filed pursuant to S.C. Code Ann. §§58-27-820 and 58-27-870 and S.C. Code Ann. Regs. 103-303 and 103-823.

In its Application, Duke Energy Carolinas seeks rate changes to increase annual revenues by 10% or \$168 million, to be updated to account for known and measurable expenses for grid investments of approximately \$16 million in 2020 and \$20 million in 2021. The Company states that recent work to modernize the electric system, generate cleaner power, responsibly manage and close coal ash basins, improve reliability, and continually improve service to customers have made it necessary to request a net increase in retail revenues. The Company’s request includes \$46 million in net tax benefits resulting from the Federal Tax Cuts and Jobs Act, and \$17 million from a reduction in North Carolina state taxes allocable to South Carolina. The Company states in its Application that its request is driven by capital investments and environmental compliance progress made by the Company since its previous rate case, including the further implementation of the Company’s generation modernization program, which consists of retiring, replacing and upgrading generation plants; investments in customer service technologies; and the Company’s continued investments in base work to maintain its transmission and distribution systems.

The Company also requests approval of its proposed Grid Improvement Plan, adjustments to its Prepaid Advantage Program, and a variety of accounting orders related to ongoing costs for environmental compliance, grid investments between rate changes, incremental depreciation expense and the balance of development costs associated with the cancellation of the Lee Nuclear Project. Finally, the Company seeks approval to establish a reserve and accrual for end of life nuclear costs for nuclear fuel and materials and supplies.

Duke Energy Carolinas requests that the proposed increases be effective on June 1, 2019. According to the Company’s proposal in the Application, a typical residential customer using 1,000 kWh will see an increase of approximately \$15.57 per month beginning with the rate effective date in this case, requested to be June 1, 2019, and then an increase of \$1.54 per month beginning June 1, 2020 and an additional \$1.92 per month beginning June 1, 2021, to incorporate costs for grid investments per the Grid Improvement Plan described in the Application. Page 19 of the Application describes the Grid Improvement Plan, which can be described, in part, as a long-term initiative built upon strategic, data-driven investments to improve reliability to avoid outages and speed restoration; harden the grid to protect against cyber and physical threats; and to expand solar and other innovative technologies across a two-way, smart-thinking grid. The Company proposes additional rate changes for 2020 and 2021 to reflect the remaining years of the three year plan, with costs captured in a regulatory asset for recovery

between rate changes. The Company proposes an increase in the Residential Basic Facilities Charge from \$8.29 to \$28.00 per month effective June 1, 2019.

Any person who wishes to participate in this matter as a party of record should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **February 1, 2019**, by filing the Petition to Intervene with the Commission, by providing a copy to the Office of Regulatory Staff and by providing a copy to all parties of record. For the receipt of future Commission correspondence, please include an email address in the Petition to Intervene. ***Please refer to Docket No. 2018-319-E and mail a copy to all other parties in this docket.*** Any person who seeks to intervene and who wishes to testify and present evidence at the hearing should notify, in writing, the Commission; the Office of Regulatory Staff at 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and the company at the above address, on or before **February 1, 2019**. ***Please refer to Docket No. 2018-319-E.***

PLEASE TAKE NOTICE that a hearing, pursuant to S.C. Code Ann. Regs. 103-817 and S.C. Code Ann. §58-27-870, on the above matter has been scheduled to begin on **Thursday, March 21, 2019, at 10:00 a.m.**, before the Commission in the Commission's Hearing Room at 101 Executive Center Drive, Suite 100, Saluda Building, Columbia, South Carolina 29210 for the purpose of receiving testimony and evidence from all interested parties. The hearing may continue through March 22, 2019, if necessary.

For the most recent information regarding this docket, including changes in scheduled dates included in this Notice, please refer to www.psc.sc.gov and *Docket No. 2018-319-E*.

Persons seeking information about the Commission's procedures should contact the Commission at (803) 896-5100 or visit its website at www.psc.sc.gov.

VOLUMETRIC RATES COMPARISON

Rate		<u>Current kWh Rate (Application Ex. A)</u>	<u>Requested kWh Rate (Application Ex. B)</u>	<u>Ordered kWh Rate</u>	<u>Change from Requested to Ordered (Percent)</u>	<u>Bills in Class (Pirro Compliance Ex. 6)</u>
RS	First 1000 kWh used per month	10.1172¢	9.8520¢	10.6807¢	8.41%	3,162,644
	All over 1000 kWh used per month	10.7710¢	10.5037¢	11.3710¢	8.26%	
RE	First 1000 kWh used per month	8.8370¢	8.4774¢	9.3039¢	9.75%	
	All over 1000 kWh used per month	9.3781¢	9.0106¢	9.8736¢	9.58%	
ES	First 1000 kWh used per month	9.6057¢	9.3397¢	10.1360¢	8.53%	
	All over 1000 kWh used per month	10.1904¢	9.9260¢	10.7570¢	8.37%	
ES All-Electric	First 1000 kWh used per month	8.2772¢	7.9258¢	8.7145¢	9.95%	3,565
	All over 1000 kWh used per month	9.0432¢	8.6806¢	9.5210¢	9.68%	
RT	on-peak	6.8389¢	7.1867¢	7.3997¢	2.96%	0
	off-peak	5.6240¢	5.8649¢	6.0852¢	3.76%	
RB	First 1000 kWh used per month	9.9096¢	10.0170¢	10.7385¢	7.20%	958,490
	All over 1000 kWh used per month	10.5632¢	10.6936¢	11.4468¢	7.04%	
SGS	For the first 125 kWh per kW Billing Demand per Month					29,088
	For the first 3000 kWh	12.0520¢	11.7893¢	12.6256¢	7.09%	
	For the next 6000 kWh	6.1021¢	5.8520¢	6.3925¢	9.24%	
	All over 9000 kWh	5.4076¢	5.1590¢	5.6649¢	9.81%	
	For the Next 275 kWh per kW Billing Demand per month					
	For the first 3000 kWh	6.1879¢	5.9376¢	6.4824¢	9.18%	
	For the next 6000 kWh	6.1127¢	5.8626¢	6.4036¢	9.23%	
	All over 9000 kWh	5.3501¢	5.1016¢	5.6047¢	9.86%	
	All Over 400 kWh per kW Billing Demand					
	All kWh	4.6591¢	4.4121¢	4.8808¢	10.62%	
LGS	For the first 125 kWh per kW Billing Demand per Month					29,088
	For the first 3000 kWh	12.8938¢	14.0767¢	13.3697¢	-5.02%	
	For the next 6000 kWh	6.7590¢	7.2534¢	7.0085¢	-3.38%	
	All over 9000 kWh	5.6702¢	6.0424¢	5.8795¢	-2.70%	
	For the Next 275 kWh per kW Billing Demand per Month					
	For the first 3000 kWh	6.8473¢	7.3516¢	7.1001¢	-3.42%	
	For the next 6000 kWh	6.7698¢	7.2654¢	7.0197¢	-3.38%	
	All over 9000 kWh	5.9835¢	6.3908¢	6.2044¢	-2.92%	
	All Over 400 kWh per kW Billing Demand					
	All kWh	5.2712¢	5.5986¢	5.4658¢	-2.37%	